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Title: John E. Fetzer: Notes regarding dealings I had with John E. Fetzer by Louis Leeburg
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The current pandemic sweeping the globe does give all of us a sense of what it was like in 1918 when the last great pandemic swept the world. John Fetzer when reviewing the drafts of his biography that had been written by two staff, he had hired to chronicle his life, made comments to me about this event in 1990, which had occurred when he was only 17 years old. He remembers overhearing the doctor tell his mother that if John survives the night to give him a call. In Mr. Fetzer's mind this event was forever etched and was a major factor in his starting the Fetzer Foundation so many years later. Now with the current pandemic we can now experience the fears that consume humans as they see the virus spread and the death toll mount, with no vaccine, no specific treatment and no total understanding of how the virus is being spread among people.

I was fortunate to meet John Fetzer when he was 87 years old and he had asked me to review all of his business transactions that had occurred. As the sale of his television stations had created a lot of stress for him during that time, he suffered a heart attack and relied on others to do much of the work. He introduced me to Carl Lee his right-hand man in his businesses, Jerry Luptak and Mike Mehr his lawyers, Jay Fishman, his investment advisor, and others. My task was to review the closing documents from the sale of the various assets, businesses etc. and determine if everything appeared properly accounted for. In addition, Mr. Fetzer had some personal agreements with several individuals that he wanted cleared up rather than be left as items to handle after his passing. The major discovery that Mr. Fetzer had not known is that Carl Lee who ended up as the majority holder of the Fetzer entity that owned the radio stations and the contract music business of Muzak had taken a cash amount off the books of the cable business and diverted that to the radio business of which Carl was the majority shareholder. The result being that this loan was technically owed back to the company (now a part of the Fetzer Foundation) yet Mr. Fetzer nor anyone at the Foundation was aware that it existed. Upon discovering this and documenting it I confronted Carl who then acknowledged this fact. Mr. Fetzer and I developed a way to deal with this which allowed the Foundation to be paid with interest within two years and for Mr. Fetzer to be paid cash for his shares in the radio company immediately.

As a result of this work Mr. Fetzer would bring me in on nearly any matter that had a financial impact to him which included the offer to purchase his limited partnership interest in Knickerbocker, a New York apartment project he invested in in 1973 and I was also asked to help when he liquidated some $9 million of his personal assets to donate to Inner Light Ministries in order to purchase two houses in Hawaii. Originally, he had thought that funds from an offshore account he had established many years ago, known as the Jefferson Trust would be used to fund these purchases. In discussions with Jay Fishman, who not only managed the bulk of Mr. Fetzer's personal investments but also was the sole investment

manager for the Jefferson Trust, Jay had relayed the story that Mr. Fetzer had invited him to fly from Detroit to the Bahamas and once on-board Mr. Fetzer was carrying a briefcase which contained cash. The details remained sketchy but Jay implied that this is the manner that funds were taken to the Bahamas that would form the Jefferson Trust. After Mr. Fetzer's passing I was asked by Rob Lehman to have our attorneys review the existing situation where Mr. Fetzer had intended to change signatories but had not done so prior to his passing. In addition, Rob wanted the Board of the Institute to acknowledge that the Institute had no interest in the Jefferson Trust. The facts were presented by our attorneys and they concluded along with the Board of Trustees that the Jefferson Trust was independent from the Institute and that the Institute had no claim on the assets of the Jefferson Trust, because the beneficiary of the Jefferson Trust was changed to Inner Light Ministries. Rob Lehman was made a signatory along with Jay Fishman and Jim Gordon and Tom Beaver was removed as a signatory on the account.
Another business deal Mr. Fetzer asked me to assist him with was negotiations with George Gillett Jr. Gillett had purchased the Fetzer Television Stations and Gillett subsequently was able to be the majority shareholder in Storer Communications. This acquisition had forced Gillett to put the Fetzer assets into a new entity, Busse Broadcasting and to maintain his minority stake without interference as the new Storer acquisition would have put him over the FCC limit on how many TV stations one person could own. The result was that funding for Busse and the Storer acquisition was provided by Michael Milken of Drexel Burnham Lambert in the form of junk bonds. Mr. Fetzer had transferred his receivable from the sale of the TV stations to the Institute. The Institute received 10% interest on $15 million note, but as the TV industry was changing and losing revenues the junk bond debt used to purchase these assets became more onerous. As the Institute was still owed $15 million, I had convinced Mr. Fetzer that this deal would eventually be restructured and we needed to talk with Gillett. Gillett had a personal guarantee that he had given on this note and so he flew to Kalamazoo to meet with us. The broadcasting companies did file for bankruptcy along with Mr. Gillett's personal bankruptcy. At the end of the day the Institute received $13 million in cash and assigned its interest to Lazard Freres and Company.

Also, in 1990 Jay Fishman had mentioned to Mr. Fetzer that Jerry Luptak and his construction partner Harold Beznos were looking for partners in their real estate projects in Florida and the greater Detroit area. He recommended that Mr. Fetzer have the Institute consider this opportunity. Bruce Fetzer and I were asked to join Jay in a tour of these properties. We came back and noted to Mr. Fetzer about our visit but that we were not familiar with Luptak and Beznos. He stated that he thought we should go forward and the Institute and Mr. Fetzer's Revocable Trust entered into debt agreements to loan funds to Beztak (the company owned by Beznos and Luptak). Later, we subsequently learned that Beztak paid Jay a commission and after Mr. Fetzer passed, Beztak defaulted on these notes. A long foreclosure and lawsuit followed which was settled two years later with Institute and Trust taking sole possession of all four apartment properties in Florida and later selling, getting back the principal and some interest on the initial investment.

I relate these stories as they were not known to many people and Mr. Fetzer was dealing with many business decisions along with the oversight and guidance he was establishing at the Institute. One last deal that I worked with him on was with Tom Monahan, the founder and at that time owner of Domino's Pizza. Mr. Fetzer had sold the Detroit Baseball Club to Tom and maintained a relatively close relationship as Chairman of the Baseball Club. In addition, Mr. Fetzer had sold Tom his interest in ProAm Sports Network, a premium cable channel that broadcast sports, including Detroit Tiger baseball games. At the time of the sale the Network was unprofitable and required constant funding from Mr. Fetzer. As part of the sale he retained an interest and was maintained as a consultant where Tom paid for the costs of Mr. Fetzer's winter residence near Tucson, AZ. I met Tom and eventually the Institute's claim was sold as part of Tom's sale of ProAm Sports to the Newsweek group. After Mr. Fetzer's passing Tom ceased making any payments related to the consulting agreement. As the Tucson winter home was now an asset of the estate any costs were now borne by the Revocable Trust and the property was eventually sold.